

## Chapter 8

### Financial Need

#### 8.1 **Authority:** CFR 361.54(b)(2); Utah Code Annotated 53A-24-106, 1996

The State of Utah requires USOR to utilize a financial needs test to determine the extent of client/family participation in the cost of vocational rehabilitation services for eligible individuals and individuals receiving services through trial work or extended evaluation. Utah State law requires the application of a financial needs test before non-exempt paid VR services can be provided.

#### 8.2 **Policy**

USOR policy requires clients to complete the USOR Form 4a prior to receiving any non-exempt paid service (see list below for exempt paid services). The VR Counselor then completes the USOR Form 48 to determine appropriate client/family contribution toward non-exempt paid services. The VR Counselor should use their professional skills and judgment to determine the appropriate use of client contribution toward non-exempt paid services. In some cases, a VR Counselor may use their professional discretion to document extenuating individual circumstances where requiring client/family contribution toward non-exempt paid services would prevent the individual from engaging in meaningful employment and independence. An example would be in cases where the client's parents or significant others, in an effort to prevent the employment of the eligible individual or to restrict the individual's independence, refuse to pay toward any paid service. In such cases USOR does not intend that the client is unable to access any VR services and therefore prevent employment and independence. Such exceptions should be very well documented in the client record. The following services are **exempt from client financial participation:**

1. Assessment to determine eligibility and vocational rehabilitation needs;
2. VR Counseling, guidance, and referral services;
3. Job placement services including job search, placement, job retention services, follow-up services, and follow-along services (SE/SJBT);
4. Personal assistance services;
5. Auxiliary aids or services, interpreter services, reader services that an individual requires under section 504 of the Rehabilitation Act or the ADA in order for the individual to participate in the VR program; (Auxiliary aids include, but are not limited to: qualified readers; taped texts; audio recordings; brailled and large print materials; or other effective methods of making written and visually represented information accessible to individuals with visual impairments. This includes assistive technology devices that enable an individual to access programs or employment aiding the individual in verbal or written communications.)
6. All VR services for an individual who is allowed SSI/SSDI.

The USOR Forms 4-a & 48 should not be included with the application packet as this can lead to client misunderstanding and inappropriate self-screening from VR services. USOR policy is that these forms be completed after eligibility has been established but before an IPE is developed.

### 8.3 VR Counselor Responsibility

Establishing financial need for each client is the responsibility of the VR Counselor. The VR Counselor takes into consideration the individual's entire financial situation in making the decision. The VR Counselor may not provide paid services except those listed as exempt above, to anyone who has the resources to pay for such services, unless individual circumstances such as those discussed in 8.2 above can be documented. The determination of financial need must be completed prior to the development of an IPE and before services are provided in trial work or extended evaluation. Skillful counseling is required in determining and explaining financial need and negotiation of financial participation. The financial needs test must not be used as a means to "screen out" or discourage applicants from participating in the VR program and clients should understand the benefit of unpaid services available as well as the exempted services listed above.

### 8.4 Client & Family Participation

Families are to be encouraged to participate financially in the client's rehabilitation program if possible.

- A. If a client is single, under 18 years of age, and unemancipated; his/her income, plus that of his/her parent(s) must be considered. Uniform Civil Liability for Support Act (Utah Code 78-45-4.2; 1993)
- B. If a client is single, under 18 years of age, living with a guardian, financial need shall be based on client's income. Power and Duties of Guardian (Utah Code 75-5-209; 1993)
- C. If the client is single, 18 years of age or over, but is living with parent, financial need shall be based on client's income only. Period of Minority (Utah Code 15-2-1; 1993) This rule applies to all single clients over 18 even if another individual has been granted guardianship rights for the client.
- D. Where client is married (including common law marriages) regardless of age, financial need shall be based on income of client and spouse. [Duty of man--Duty of Woman, Uniform Civil Liability for Support Act (Utah Code 78-45-3, 78-45-4; 1993).]

**Exception:** USOR has experienced cases where the client's spouse refuses to participate financially in the cost of paid services in order to prevent the client from engaging in employment and maximizing independence. In such cases, based on individual circumstances, the client may be exempted from spousal contribution by the VR Counselor if it is felt that in the client's best interest so that they may seek employment and maximize independence. Such cases are rare and an exception should never be made simply because the client and spouse do not wish to contribute to the cost of non-exempt paid services.

Refusal to complete Form 4-a will constitute not meeting financial need criteria. This means that only the services exempt from financial need listed in 8.2 above may be provided. No other services may be funded until the client completes the Form 4-a, and financial need is established.

### 8.5 Individuals Subject to Financial Need

All VR clients are subject to determination of financial need except recipients of SSI/SSDI.

### 8.6 Determination of Financial Need

- A. Evaluation of income.
  - 1. Exempted income:

- a. Social Security Disability Insurance (SSDI).
- b. Supplemental Security Income (SSI).
- c. Temporary Aid to Needy Families (TANF).
- d. General Assistance (GA).
- e. Workers' Compensation.
- f. Other Long Term Disability Compensation Programs.

**Note:** Pell Grants, merit scholarship monies, etc., are not to be counted as income. They will be addressed under Comparable Services and Benefits in the IPE.

2. All other income to client and when applicable, parent(s) or spouse **will** be considered. Examples include, but are not limited to, the following:
  - a. Wages, tips, & royalties (before taxes)
  - b. Income of parent(s) or spouse.
  - c. Income from stocks, other dividends or interest income.
  - d. Social Security Survivors and Retirement Benefits.
  - e. Unemployment Compensation.
  - f. Insurance, retirement, pensions and other annuities.
  - g. VA benefits.
  - h. Inheritance, settlements.
  - i. Alimony or child support.
  - j. Business Income, income from rental property.
3. Liquid assets available.
  - a. Checking.
  - b. Savings.
  - c. Other.

B. Determination of Monthly Expenses.

The following financial requirements will be considered allowable expenses:

1. Normal living requirements as determined by the Department of Labor.
2. Monthly court-ordered support payments i.e. alimony, child support for children **not** being counted as dependents in computing #1 above. Fines, restitutions, and other non-support payments are not allowed.
3. Monthly medical and dental expenses which are **not** reimbursed in addition to any prior medical and dental debts client/family will be paying during the period of VR services.
4. Monthly cost of health insurance.
5. Monthly cost of day-care which is necessary to enable client or responsible person to work or participate in a VR program.
6. Other disability related expenses paid by client. Examples include, but are not limited to, actual non-reimbursed payments for:
  - a. Personal assistance services.
  - b. Special transportation.
  - c. Cost of and repairs to prosthetic appliances, mobility aids, and adaptive equipment.

- d. Cost of therapy - physical, psychological, drug and alcohol, etc.
- e. Cost of any disability related service for spouse or dependent.

## 8.7 Procedure

### A. Filling out USOR-4a (See Appendix 8-B).

1. Sections 1-5 are self-explanatory. **NOTE:** Section 4 – Dependents listed, other than spouse, should be 17 years or younger. Exceptions must meet IRS dependent relationship, income and support tests. For example, dependents over the age of 17 claimed must have lived in the home all year, had income less than \$3,000, or be a full time student under age 24 and person claiming dependent must have provided over half of total support for each dependent claimed.
2. Section 6. Exempt unearned income - type and amount.
3. Section 7. Gross Income
4. Section 8. Liquid assets. List amounts available on the date form is filled out.
5. Section 9. Allowable current monthly expenses. (See 8.5B for definitions)
  - Court-ordered support payments.
  - Medical and dental expenses.
  - Health insurance.
  - Day care.
  - Other disability related expenses.
6. Section 10. Public Assistance Information - Self explanatory.
7. Signature Block - signature of client, or parent/guardian when client is a minor, is required.

### B. Filling out Form 48 (Appendix 8-C).

1. Section I. If total client income (including, if applicable, family or spouse) is from exempted source OR client is verified allowed SSI/SSDI, check box and sign form.
2. If client income is not from exempted source (or is part exempt and part nonexempt), complete Section II.
  - a. Enter family size (see A.1. above for explanation of qualified dependents)
  - b. Enter total gross (before taxes) nonexempt monthly income from Form 4A, line A on line 2.
  - c. Enter applicable normal living requirement from chart U.S. Department of Labor on bottom of form, on line 3.
  - d. Enter total allowable expenses from 4A, line D on line 4.
  - e. Add lines 3 and 4 and enter on line 5
  - f. Subtract line 5 from line 2 and enter result on line 6.
  - g. Divide line 6 by the family size (used to calculate normal living requirement) and enter the result on line 7.
  - h. Enter - Liquid assets from Form 4a line C on line 8.

- i. Divide line 8 by 12 and enter results on line 9
- j. Add line 7 and line 9 and enter on line 10. This figure (if it is a positive number) will be the amount available to client for participation in his/her rehabilitation program.

### **8.8 Reconsideration of Financial Need**

- A. Financial need will be re-evaluated annually; or
- B. Whenever financial or other circumstances regarding the client change significantly; whichever occurs sooner. Examples of circumstances include but are not limited to:
  - 1. Marriage or divorce.
  - 2. Other change of dependent status.
  - 3. Significant change in income.
  - 4. Significant change/amendment to IPE.
- C. Significant financial changes require an updated 4a and 48.

### **8.9 Disagreement with Determination**

If the client or, as appropriate, client's representative disagrees with the outcome of the determination of financial need, the client has the right to have the determination reviewed. This will be done following the agency's appeal procedure outlined in Chapter 21.

## UTAH 2012 LOWER LIVING STANDARD INCOME LEVELS

## 100% LLSIL

FAMILY SIZE	ANNUAL INCOME	MONTHLY INCOME
1 .....	\$17,826 .....	\$1,485
2 .....	\$29,205 .....	\$2,433
3 .....	\$40,093 .....	\$3,341
4 .....	\$49,497 .....	\$4,125
5 .....	\$58,409 .....	\$4,867
6 .....	\$68,316 .....	\$5,693

For additional members, add \$7,339 annually or \$612 monthly.

Source: Department of Labor  
Employment and Training Administration  
Washington, D.C.

USOR-4a  
Rev. 5/12

Utah State Office of Rehabilitation

**CONFIDENTIAL REPORT OF FINANCIAL CIRCUMSTANCES**

In order for you and your VR Counselor to determine how best to pay for your rehabilitation program, the following information is required (if you are a minor living with your parent(s) or married; your parent(s) or spouse's income must also be included.)

1. \_\_\_\_\_  

<b>Full Name</b>	<b>Social Security No.</b>	<b>Age</b>
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2. ☐ I choose **not** to complete the financial disclosure form. In doing so, I understand and agree that I will **not** be eligible to receive those services which are conditioned on financial need. (Check box and sign back of form.)
3. **Marital Status:**      **Date:**      4. **Names of Dependents**      **Age**  

( ) Single			
( ) Widow(er)			
( ) Divorced			
( ) Married			
( ) Separated			
5. If you have Medicaid, Medicare, or other health care insurance, list the insurance companies:  
 \_\_\_\_\_  
 \_\_\_\_\_
6. **Your Monthly Exempt Income**  
 Disability Insurance Benefits (SSDI) .....\$ \_\_\_\_\_  
 Supplemental Security Income (SSI) .....\$ \_\_\_\_\_  
 Public Assistance (TANF, GA) .....\$ \_\_\_\_\_  
 Workers' Compensation .....\$ \_\_\_\_\_  
 Other Long Term Disability Compensation .....\$ \_\_\_\_\_  
**Total Unearned Monthly Income ..... A. \$ \_\_\_\_\_**
7. **Monthly Gross Nonexempt Income**  
 Your own income (before taxes).....\$ \_\_\_\_\_  
 Parents (If you are a minor living with them) .....\$ \_\_\_\_\_  
 Spouse's Income .....\$ \_\_\_\_\_  
 Survivors Benefits .....\$ \_\_\_\_\_  
 Alimony & Child Support.....\$ \_\_\_\_\_  
 Veterans Pension .....\$ \_\_\_\_\_  
 Unemployment Comp.....\$ \_\_\_\_\_  
 Interest or Stock Income.....\$ \_\_\_\_\_  
 Social Security Retirement.....\$ \_\_\_\_\_  
 Other Income (Annuities, settlements & Trusts) .....\$ \_\_\_\_\_  
**Total Countable Income ..... B. \$ \_\_\_\_\_**
8. **Liquid Assets**  
 Checking.....\$ \_\_\_\_\_  
 Savings .....\$ \_\_\_\_\_  
 Other Liquid Assets .....\$ \_\_\_\_\_

Total Liquid Assets ..... C. \$ \_\_\_\_\_

9. .... Allowable Monthly  
Expenses You Pay:

Court-ordered support payments e.g., alimony or child support for children not being counted as dependents in Section 4 of this form. Fines, restitutions, and other non-support payments are not allowed. \$ \_\_\_\_\_

Medical and dental expenses which are not reimbursed in addition to any prior medical and dental debts you/family will be paying during the period of VR services. \$ \_\_\_\_\_

Cost of health insurance. \$ \_\_\_\_\_

Cost of day-care that is necessary to enable you or a responsible person to work or participate in a VR program. \$ \_\_\_\_\_

Other disability related expenses. Examples include, but are not limited to, actual non-reimbursed payments for:

Personal assistance services. \$ \_\_\_\_\_

Special transportation. \$ \_\_\_\_\_

Cost of and repairs to prosthetic appliances, mobility aids, and adaptive equipment. \$ \_\_\_\_\_

Cost of therapy--physical, psychological, drug and alcohol, etc. \$ \_\_\_\_\_

Cost of any disability related service for spouse or dependent. \$ \_\_\_\_\_

Other (Please list): \_\_\_\_\_ \$ \_\_\_\_\_

Total Allowable Expenses ..... D. \$ \_\_\_\_\_

**Public Assistance**

10. If you receive Public Assistance payments, enter type and amounts below.

(a) Type or category:

( ) Not Known

( ) Supplemental Security Income (SSI)

( ) General Assistance (GA)

( ) Temporary Aid to Needy Families (TANF)

( ) TANF and SSI in combination.

(b) Time on Public Assistance or SSI/SSDI:

Months \_\_\_\_\_ or years \_\_\_\_\_

\*\*\*\*\*

I certify that the information contained in this form is true and correct to the best of my knowledge. Inaccurate or falsified information may be cause for denial of Vocational Rehabilitation Services conditioned upon economic need.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Client (or parent if client is a minor)



USOR-48  
Rev. 5/12

**Utah State Office of Rehabilitation**  
**DETERMINATION OF NEED FOR FINANCIAL SUPPLEMENTATION**  
(See Case Service Manual Chapter 8 for Details)

Client Name \_\_\_\_\_ Age \_\_\_\_\_

- ☐ I. Total client/family income is from exempt source(s) (TANF, GA, Workers' Compensation or Other Long Term Disability Program), therefore, he/she is eligible for services conditioned on economic need **or** client is allowed SSI/SSDI therefore, services provided are not subject to financial needs test.

**If box #I is checked, further computation on this form is not applicable.**

II. Computation of economic need

1. Enter Family Size \_\_\_\_\_
2. Total Non-Exempt Monthly Income (Form 4a LineB) \$ \_\_\_\_\_
3. Normal Living Requirements \$ \_\_\_\_\_
4. Allowable Expenses (Form 4a, Line D) \$ \_\_\_\_\_
5. Add Lines 3 and 4 \$ \_\_\_\_\_
6. Subtract Line 5 from Line 2 \$ \_\_\_\_\_
7. Divide Line 6 by family size in Line 1 \$ \_\_\_\_\_
8. Liquid Assets Available to Client (Form 4a, Line C) \$ \_\_\_\_\_
9. If Line 8 is positive, divide by 12 \$ \_\_\_\_\_
9. Add Line 7 to Line 9. Monthly amount available to client for participation in his/her Rehabilitation Program. \$ \_\_\_\_\_

**UTAH 2012 LOWER LIVING STANDARD INCOME LEVELS**

100% LLSIL		
FAMILY SIZE	ANNUAL INCOME	MONTHLY INCOME
1	\$17,826	\$1,485
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5	\$58,409	\$4,867
6	\$68,316	\$5,693

For additional members, add \$7,339 annually or \$612 monthly.

Source: Department of Labor

- III. Client's financial circumstances have been evaluated with the following results:

- ☐ 1. Client/family total earned monthly income does not exceed the Normal Living Requirement exemption; therefore, he/she is eligible for services conditioned on economic need.
- ☐ 2. Client's resources will permit him/her to contribute to the cost of rehabilitation services, as indicated above.

Counselor Comments

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\_\_\_\_\_  
Date Counselor Signature

IV. ANNUAL RECONSIDERATION OF FINANCIAL NEED

_____ Date Reviewed	Status is _____ changed _____ unchanged	_____ Counselor's Initials
_____ Date Reviewed	Status is _____ changed _____ unchanged	_____ Counselor's Initials
_____ Date Reviewed	Status is _____ changed _____ unchanged	_____ Counselor's Initials
_____ Date Reviewed	Status is _____ changed _____ unchanged	_____ Counselor's Initials